

ORDINANCE NO. 17325-12-2006

PROVIDING FOR THE ISSUANCE OF FIFTY MILLION DOLLARS (\$50,000,000) OF THE GENERAL PURPOSE BONDS, SERIES 2007, OF THE CITY OF FORT WORTH, TEXAS, BEARING INTEREST AT THE RATES HEREINAFTER SET FORTH, AND PROVIDING FOR THE LEVY, ASSESSMENT AND COLLECTION OF A TAX SUFFICIENT TO PAY THE INTEREST ON SAID BONDS AND TO CREATE A SINKING FUND FOR THE REDEMPTION THEREOF AT MATURITY; AND ORDAINING OTHER MATTERS RELATED THERETO

WHEREAS, it is deemed advisable and in the best interest of the City of Fort Worth (the "City" or the "Issuer") that certain general purpose bonds authorized at elections previously held in said City be combined in a single issue and sold at this time, the dates of election, amount of bonds authorized thereat, purpose, amount of bonds previously sold, and the amount now to be sold being as follows:

| <u>DATE OF<br/>ELECTION</u> | <u>AMOUNT<br/>AUTHORIZED</u> | <u>PURPOSE</u>             | <u>AMOUNT<br/>PREVIOUSLY SOLD</u> | <u>AMOUNT<br/>NOW OFFERED</u> |
|-----------------------------|------------------------------|----------------------------|-----------------------------------|-------------------------------|
| May 22, 1982                | \$ 77,285,000                | Street Improvements        | \$77,050,000                      | \$ -0-                        |
| March 22, 1986              | 16,650,000                   | Park & Rec. Improvements   | 16,647,000                        | -0-                           |
| February 7, 2004            | 232,900,000                  | Street Improvements        | -0-                               | 50,000,000                    |
| February 7, 2004            | 1,195,000                    | Communication Services     | -0-                               | -0-                           |
| February 7, 2004            | 21,615,000                   | Park & Rec. Improvements   | -0-                               | -0-                           |
| February 7, 2004            | 12,635,000                   | Fire Safety Improvements   | -0-                               | -0-                           |
| February 7, 2004            | 665,000                      | Public Health Improvements | -0-                               | -0-                           |
| February 7, 2004            | 4,490,000                    | Library Improvements       | -0-                               | -0-                           |
|                             | <u>\$ 367,435,000</u>        |                            | <u>\$93,697,000</u>               | <u>\$50,000,000</u>           |

WHEREAS, the bonds hereinafter authorized to fund the projects hereinafter described are to be issued and delivered pursuant to the laws of the State of Texas, including specifically Chapter 1331, Texas Government Code; and

WHEREAS, it is deemed advisable and to the best interest of the City that the bonds to be sold pursuant to the aforesaid elections be sold at this time, pursuant to the laws of the State of Texas.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS:

1. That the bond or bonds of the City of Fort Worth, Texas (the "City" or the "Issuer") to be called "General Purpose Bonds, Series 2007" (the "Bonds" or the "Series 2007 Bonds"), be issued under and by virtue of the Constitution and laws of the State of Texas and the Charter of the City in the aggregate principal amount of Fifty Million Dollars (\$50,000,000) for the purpose of (i) constructing permanent street and storm sewer improvements and (ii) paying the costs of issuance associated with the issuance of the Series 2007 Bonds.

2. That the Series 2007 Bonds shall be dated January 1, 2007, shall be in the denomination of \$5,000 each, or any integral multiple thereof, shall be numbered consecutively from R-1 upward, and shall mature on March 1, 2027. The Series 2007 Bonds are term bonds.

3. (a) That the City reserves the right to redeem the Series 2007 Bonds maturing on or after March 1, 2018, in whole or in part, on March 1, 2017, or on any date thereafter, for the principal amount thereof plus accrued interest thereon to the date fixed for redemption. The years of maturity of the Series 2007 Bonds called for redemption at the option of the City prior to stated maturity shall be selected by the City. The Series 2007 Bonds or portions thereof redeemed within a maturity shall be selected by lot or other method by the Paying Agent/Registrar (hereinafter defined); *provided*, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Series 2007 Bonds, if fewer than all of the Series 2007 Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Series 2007 Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the City and the securities depository.

(b) The Series 2007 Bonds shall be subject to mandatory sinking fund redemption, in the manner provided in the FORM OF BOND.

(c) At least 30 days prior to the date fixed for any such redemption the City shall cause (i) a

written notice of such redemption to be deposited in the United States mail, first-class postage prepaid, addressed to each such registered owner at his address shown on the Registration Books (hereinafter defined) of the Paying Agent/Registrar and (ii) notice of such redemption either to be published one (1) time in or posted electronically on the website of a financial journal or publication of general circulation in the United States of America or the State of Texas carrying as a regular feature notices of municipal bonds called for redemption; *provided, however*, that the failure to send, mail, or receive such notice described in (i) above, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Series 2007 Bond, and it is hereby specifically provided that the provision of notice described in (ii) above shall be the only notice actually required in connection with or as a prerequisite to the redemption of any Series 2007 Bonds. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Series 2007 Bonds or the portions thereof which are to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, the Series 2007 Bonds or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities, and shall not bear interest after the date fixed for their redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the registration books all such redemptions of principal of the Series 2007 Bonds or any portion thereof. If a portion of any Series 2007 Bond shall be redeemed a substitute Series 2007 Bond or Series 2007 Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the

expense of the City, all as provided in this Ordinance. In addition to the foregoing, the City shall cause the Paying Agent/Registrar to give notice of any such redemption in the manner set forth in Section 5(h) hereof. The failure to cause such notice to be given, however, or any defect therein, shall not affect the validity or effectiveness of such redemption.

4. That the Series 2007 Bonds shall bear interest at the rate of 4.48% per annum. Said interest shall be payable to the registered owner of any such Series 2007 Bond in the manner provided and on the dates stated in the FORM OF BOND.

5. (a) That the City shall keep or cause to be kept at the designated corporate trust office in Fort Worth, Texas (the "Designated Trust Office") of Wells Fargo Bank, National Association (the "Paying Agent/Registrar"), or such other bank, trust company, financial institution, or other agency named in accordance with the provisions of (g) below, books or records of the registration and transfer of the Series 2007 Bonds (the "Registration Books"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfers and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the registered owner and record in the Registration Books the address of such registered owner of each bond to which payments with respect to the Series 2007 Bonds shall be mailed, as herein provided. The City or its designee shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. Registration of each Series 2007 Bond may be transferred in the Registration Books only upon presentation and surrender of such bond to the Paying Agent/Registrar for transfer of registration and

cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing the assignment of such bond, or any portion thereof in any integral multiple of \$5,000, to the assignee or assignees thereof, and the right of such assignee or assignees to have such bond or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Series 2007 Bond or any portion thereof, a new substitute bond or bonds shall be issued in exchange therefor in the manner herein provided.

(b) The entity in whose name any Series 2007 Bond shall be registered in the Registration Books at any time shall be treated as the absolute owner thereof for all purposes of this Ordinance, whether or not such bond shall be overdue, and the City and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such bond shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such bond to the extent of the sum or sums so paid.

(c) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Series 2007 Bonds, and to act as its agent to exchange or replace Series 2007 Bonds, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Series 2007 Bonds, and of all exchanges thereof, and all replacements thereof, as provided in this Ordinance.

(d) Each Series 2007 Bond may be exchanged for fully registered bonds in the manner set forth herein. Each bond issued and delivered pursuant to this Ordinance, to the extent of the unredeemed principal amount thereof, may, upon surrender thereof at the Designated Trust Office of the Paying

Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, at the option of the registered owner or such assignee or assignees, as appropriate, be exchanged for fully registered bonds, without interest coupons, in the form prescribed in the FORM OF BOND, in the denomination of \$5,000, or any integral multiple thereof (subject to the requirement hereinafter stated that each substitute bond shall have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the unredeemed principal amount of any Series 2007 Bond or Series 2007 Bonds so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If a portion of any Series 2007 Bond shall be redeemed prior to its scheduled maturity as provided herein, a substitute bond or bonds having the same maturity date, bearing interest at the same rate, in the denomination or denominations of any integral multiple of \$5,000 at the request of the registered owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation. If any Series 2007 Bond or portion thereof is assigned and transferred, each bond issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the bond for which it is being exchanged. Each substitute bond shall bear a letter and/or number to distinguish it from each other bond. The Paying Agent/Registrar shall exchange or replace Series 2007 Bonds as provided herein, and each fully registered bond or bonds delivered in exchange for or replacement of any Series 2007 Bond or portion thereof as permitted or required by any provision of this Ordinance shall constitute one of the Series 2007 Bonds for all purposes of this Ordinance, and may again be exchanged or replaced. It is specifically provided, however, that any Series 2007 Bond delivered in exchange for or replacement of another Series 2007 Bond prior to the first scheduled

interest payment date on the Series 2007 Bonds (as stated on the face thereof) shall be dated the same date as such Series 2007 Bond, but each substitute bond so delivered on or after such first scheduled interest payment date shall be dated as of the interest payment date preceding the date on which such substitute bond is delivered, unless such substitute bond is delivered on an interest payment date, in which case it shall be dated as of such date of delivery; provided, however, that if at the time of delivery of any substitute bond the interest on the bond for which it is being exchanged has not been paid, then such substitute bond shall be dated as of the date to which such interest has been paid in full. On each substitute bond issued in exchange for or replacement of any Series 2007 Bond or Series 2007 Bonds issued under this Ordinance there shall be printed thereon a Paying Agent/Registrar's Authentication Certificate, in the form hereinafter set forth in the FORM OF BOND (the "Authentication Certificate"). An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such substitute bond, date such substitute bond in the manner set forth above, and manually sign and date the Certificate, and no such substitute bond shall be deemed to be issued or outstanding unless the Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Series 2007 Bonds surrendered for exchange or replacement. No additional ordinances, orders, or resolutions need be passed or adopted by the City Council or any other body or person so as to accomplish the foregoing exchange or replacement of any Series 2007 Bond or portion hereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute bonds in the manner prescribed herein. Pursuant to Chapter 1206, Texas Government Code, the duty of exchange or replacement of any Series 2007 Bond as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the exchanged or replaced bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Series 2007 Bonds which originally were delivered pursuant to this Ordinance, approved by the

Attorney General, and registered by the Comptroller of Public Accounts. Neither the City nor the Paying Agent/Registrar shall be required (1) to issue, transfer, or exchange any bond during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of bonds and ending at the close of business on the day of such mailing, or (2) to transfer or exchange any bond so selected for redemption in whole when such redemption is scheduled to occur within 30 calendar days.

(e) All Series 2007 Bonds issued in exchange or replacement of any other Series 2007 Bond or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Series 2007 Bonds to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be exchanged for other Series 2007 Bonds, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) the principal of and interest on the Series 2007 Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF BOND.

(f) The City shall pay the Paying Agent/Registrar's reasonable and customary fees and charges for making transfers of Series 2007 Bonds, but the registered owner of any Series 2007 Bond requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The registered owner of any Series 2007 Bond requesting any exchange shall pay the Paying Agent/Registrar's reasonable and standard or customary fees and charges for exchanging any such bond or portion thereof, together with any taxes or governmental charges required to be paid with respect thereto, all as a condition precedent to the exercise of such privilege of exchange, except, however, that in the case of the exchange of an assigned and transferred bond or bonds or any portion or portions thereof in any integral multiple of \$5,000, and in the case of the exchange of the unredeemed portion of a Series 2007 Bond which has been redeemed in part prior to maturity, as provided in this



Ordinance, such fees and charges will be paid by the City. In addition, the City hereby covenants with the registered owners of the Series 2007 Bonds that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Series 2007 Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer or registration of Series 2007 Bonds solely to the extent above provided, and with respect to the exchange of Series 2007 Bonds solely to the extent above provided.

(g) The City covenants with the registered owners of the Series 2007 Bonds that at all times while the Series 2007 Bonds are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Series 2007 Bonds under this Ordinance, and that the Paying Agent/Registrar will be one entity. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 60 days written notice to the Paying Agent/Registrar. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified national or state banking institution which shall be a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, subject to supervision or examination by federal or state authority, and whose qualifications substantially are similar to the previous Paying Agent/Registrar to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Series 2007 Bonds, to the new Paying Agent/Registrar designated and appointed by the City. Upon

any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Series 2007 Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(h) (i) In addition to the manner of providing notice of redemption of Series 2007 Bonds as set forth in this Ordinance, the Paying Agent/Registrar shall give notice of redemption of Series 2007 Bonds by United States mail, first-class postage prepaid, at least thirty (30) days prior to a redemption date to each NRMSIR (as defined in Section 14 hereof) and the SID (as defined in Section 14 hereof). In addition, in the event of a redemption caused by an advance refunding of the Series 2007 Bonds, the Paying Agent/Registrar shall send a second notice of redemption to the persons specified in the immediately preceding sentence at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice sent to the NRMSIRs or the SID shall be sent so that they are received at least two (2) days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the owner of any Series 2007 Bond who has not sent the Series 2007 Bonds in for redemption sixty (60) days after the redemption date. (ii) Each redemption notice, whether required in the FORM OF BOND or otherwise by this Ordinance, shall contain a description of the Series 2007 Bonds to be redeemed, including the complete name of the Series 2007 Bonds, the series, the date of issue, the interest rate, the maturity date, the CUSIP number, if any, the amounts called of each certificate, the publication and mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Series 2007 Bond may be redeemed, including a contact person and

telephone number.

(iii) All redemption payments made by the Paying Agent/Registrar to the registered owners of the Series 2007 Bonds shall include CUSIP numbers relating to each amount paid to such registered owner.

6. That the form of all Series 2007 Bonds, including the form of the Comptroller's Registration Certificate to accompany the Series 2007 Bonds on the initial delivery thereof, the form of the Authentication Certificate, and the Form of Assignment to be printed on each of the Series 2007 Bonds, shall be, respectively, substantially as set forth in Exhibit A to this Ordinance, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance. Upon the delivery of the Series 2007 Bonds to the Purchaser (as defined in Section 10 of this Ordinance), the Paying Agent/Registrar shall complete the "Date of Delivery" on each of the Series 2007 Bonds.

7. (a) That a special fund or account, to be designated the "City of Fort Worth, Texas Series 2007 General Purpose Bonds Interest and Redemption Fund" (the "Interest and Redemption Fund") is hereby created and shall be established and maintained by the City. The Interest and Redemption Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used only for paying the interest on and principal of the Series 2007 Bonds. All taxes levied and collected for and on account of the Series 2007 Bonds shall be deposited, as collected, to the credit of the Interest and Redemption Fund. During each year while any of the Series 2007 Bonds is outstanding and unpaid, the City Council of the City shall compute and ascertain the rate and amount of ad valorem tax, based on the latest approved tax rolls of the City, with full allowances being made for tax delinquencies and costs of tax collections, which will be sufficient to raise and produce the money required to pay the interest on the Series 2007 Bonds as such interest comes due, and to provide a sinking fund to pay the principal (including mandatory sinking fund redemption payments, if any) of the Series 2007 Bonds as such principal matures, but never less than 2% of the outstanding principal

amount of the Series 2007 Bonds as a sinking fund each year. Said rate and amount of ad valorem tax is hereby ordered to be levied and is hereby levied against all taxable property in the City for each year while any of the Series 2007 Bonds is outstanding and unpaid, and said ad valorem tax shall be assessed and collected each such year and deposited to the credit of the Interest and Redemption Fund. Said ad valorem taxes necessary to pay the interest on and principal of the Series 2007 Bonds, as such interest comes due, and such principal matures or comes due through operation of the mandatory sinking fund redemption, if any, as provided in the FORM OF BOND, are hereby pledged for such purpose, within the limit prescribed by law. There shall be appropriated from the General Fund of the City for deposit into the Interest and Redemption Fund moneys as may be necessary to pay the first scheduled interest payments on the Series 2007 Bonds.

(b) Chapter 1208, Texas Government Code, applies to the issuance of the Series 2007 Bonds and the pledge of ad valorem taxes made under Section 7(a) of this Ordinance, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Series 2007 Bonds are outstanding and unpaid such that the pledge of ad valorem taxes made by the City under Section 7(a) of this Ordinance is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Series 2007 Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

8. (a) That in the event any outstanding Series 2007 Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or

destroyed Series 2007 Bond, in replacement for such Series 2007 Bond in the manner hereinafter provided.

(b) Application for replacement of damaged, mutilated, lost, stolen, or destroyed Series 2007 Bonds shall be made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Series 2007 Bond, the applicant for a replacement bond shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Series 2007 Bond, the applicant shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Series 2007 Bond, as the case may be. In every case of damage or mutilation of a Series 2007 Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the Series 2007 Bond so damaged or mutilated.

(c) Notwithstanding the foregoing provisions of this Section, in the event any such Series 2007 Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Series 2007 Bond, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Series 2007 Bond) instead of issuing a replacement Series 2007 Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the owner of such Series 2007 Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Series 2007 Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Series 2007 Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and

proportionately with any and all other Series 2007 Bonds duly issued under this Ordinance.

(e) In accordance with Chapter 1206, Texas Government Code, this Section of this Ordinance shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the City or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, subject to the conditions imposed by this Section 8 of this Ordinance, and the Paying Agent/Registrar shall authenticate and deliver such bonds in the form and manner and with the effect, as provided in Section 5(d) of this Ordinance for Series 2007 Bonds issued in exchange for other Series 2007 Bonds.

9. That the Mayor, the City Secretary, the City Manager, any Assistant City Manager or the Chief Financial Officer of the City, and all other officers, employees, and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance or the Series 2007 Bonds. In case any officer whose signature appears on any Series 2007 Bond shall cease to be such officer before the delivery of such Series 2007 Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until such delivery. The City Manager of the City or the designee thereof is hereby authorized to have control of the Series 2007 Bonds and all necessary records and proceedings pertaining to the Series 2007 Bonds pending their delivery and their investigation, examination and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Series 2007 Bonds, said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registra-

tion Certificate accompanying the Series 2007 Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on each such certificate. The City Council hereby authorizes the payment of the fee of the Office of the Attorney General of the State of Texas for the examination of the proceedings relating to the issuance of the Series 2007 Bonds, in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code.

10. (a) That the sale of the Series 2007 Bonds to JPMorgan Chase Bank, National Association (the "Purchaser"), at the purchase price set forth in the hereinafter defined Purchase Agreement, is hereby authorized, ratified and confirmed. It is hereby officially found, determined and declared that the Series 2007 Bonds were sold at terms that were the most advantageous reasonably obtained.

(b) The Series 2007 Bonds are to be sold to the Purchaser pursuant to the terms of a Purchase Agreement between the City and the Purchaser (the "Purchase Agreement"), in substantially the form attached to this Ordinance as Exhibit B. The City Manager is authorized to execute the Purchase Agreement on behalf of the City.

11. That the Issuer covenants to take any action to assure, or refrain from any action which would adversely affect, the treatment of the Series 2007 Bonds as obligations described in section 103 of the Internal Revenue Code of 1986 (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(a) to take any action to assure that no more than 10 percent of the proceeds of the Series 2007 Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds are so used, that amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Series 2007 Bonds, in contra-

vention of section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds 5 percent of the proceeds of the Series 2007 Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Series 2007 Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons; other than state or local governmental units, in contravention of section 141(c) of the Code;

(d) to refrain from taking any action which would otherwise result in the Series 2007 Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(e) to refrain from taking any action that would result in the Series 2007 Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of the Series 2007 Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Series 2007 Bonds, other than investment property acquired with --

(1) proceeds of the Series 2007 Bonds invested for a reasonable temporary period of 3 years or less until such proceeds are needed for the purpose for which the bonds are issued,



(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Series 2007 Bonds;

(g) to otherwise restrict the use of the proceeds of the Series 2007 Bonds or amounts treated as proceeds of the Series 2007 Bonds, as may be necessary, so that the Series 2007 Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(h) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Series 2007 Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings", within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Series 2007 Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

For purposes of the foregoing clauses (a) and (b) above, the Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of a refunding bond, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of the issuance of the Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent

that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of the foregoing, each of the Mayor, the City Manager, any Assistant City Manager, and the Chief Financial Officer of the City may execute any certificates or other reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

In order to facilitate compliance with the above clause (h), a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the registered owners of the Bonds. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

12. That the Issuer covenants to account for the expenditure of proceeds from the sale of the Series 2007 Bonds and any investment earnings thereon to be used for the purposes described in clause (i) of Section 1 of this Ordinance (each such purpose referred to herein and Section 13 hereof as a "Project") on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (a) the expenditure on a Project is made or (b) each such Project is completed. The foregoing notwithstanding, the Issuer shall not expend such proceeds or investment earnings more than 60 days after the later of (a) the fifth anniversary of the date of delivery of the Series 2007 Bonds or (b) the date the Series 2007 Bonds are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel substantially to the effect that such expenditure will not adversely affect the

tax-exempt status of the Series 2007 Bonds.

13. That the Issuer covenants that the property constituting a Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally-recognized bond counsel substantially to the effect that such sale or other disposition will not adversely affect the tax-exempt status of the Series 2007 Bonds. For purposes of this Section, the portion of the property comprising personal property and disposed of in the ordinary course of business shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes of this Section, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

14. (a) *Definitions.* That as used in this Section, the following terms have the meanings ascribed to such terms below:

"MAC" means the Municipal Advisory Council of Texas.

"MSRB" means the Municipal Securities Rulemaking Board.

"NRMSIR" means each person whom the SEC or its staff has determined to be a nationally recognized municipal securities information repository within the meaning of the Rule from time to time.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"SID" means any person designated by the State of Texas or an authorized department, officer, or agency thereof as, and determined by the SEC or its staff to be, a state information depository within the meaning of the Rule from time to time.

(b) *Annual Reports.* (i) The City shall provide annually to each NRMSIR and any SID, within six months after the end of each fiscal year ending in or after 2007, financial information and operating data with respect to the City of the general type described in Exhibit C hereto. Any financial

statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide unaudited financial statements by the required time, and shall provide audited financial statements for the applicable fiscal year to each NRMSIR and any SID, when and if the audit report on such statements becomes available.

(ii) If the City changes its fiscal year, it will notify each NRMSIR and any SID of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to each NRMSIR and any SID or filed with the SEC.

(c) *Material Event Notices.* The City shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any of the following events with respect to the Series 2007 Bonds, if such event is material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the Series 2007 Bonds;
7. Modifications to rights of holders of the Series 2007 Bonds;
8. Series 2007 Bond calls;
9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Series 2007 Bonds; and
11. Rating changes.

The City shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection. Any filing under this Section may be made solely by transmitting such filing to the MAC as provided at <http://www.disclosureusa.org>, unless the SEC has withdrawn the interpretive advice stated in its letter to the MAC dated September 7, 2004.

(d) *Limitations, Disclaimers, and Amendments.* (i) The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Series 2007 Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes any Series 2007 Bonds no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Series 2007 Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Series 2007 Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER

OR BENEFICIAL OWNER OF ANY SERIES 2007 BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under the Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(v) The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Series 2007 Bonds in the primary offering of the Series 2007 Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Series 2007 Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Series 2007 Bonds. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of

financial information or operating data so provided. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Series 2007 Bonds in the primary offering of the Series 2007 Bonds.

15. That interest earnings derived from the investment of proceeds from the sale of the Series 2007 Bonds may be used along with other available bond proceeds for the construction of the permanent improvements set forth in clause (i) of Section 1 hereof for which the Series 2007 Bonds are issued or for the payment of debt service on the Series 2007 Bonds; *provided*, that after completion of such permanent improvements, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Redemption Fund. It is further provided, however, that any interest earnings on bond proceeds which are required to be rebated to the United States of America pursuant to Section 11 hereof in order to prevent the Series 2007 Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

16. That should the terms of the Purchase Agreement so provide, the Series 2007 Bonds initially shall be issued and delivered in such manner that no physical distribution of the Series 2007 Bonds will be made to the public, and The Depository Trust Company ("DTC"), New York, New York, initially may act as depository for the Series 2007 Bonds. DTC has represented that it is a limited purpose trust company incorporated under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended, and the City accepts, but in no way verifies, such representations. The definitive

Series 2007 Bonds delivered to the Purchaser may be registered in the name of CEDE & CO., the nominee of DTC, if the terms of the Purchase Agreement so provide. DTC may hold the Series 2007 Bonds on behalf of the Purchaser. So long as each Series 2007 Bonds is registered in the name of CEDE & CO., the Paying Agent/Registrar shall treat and deal with DTC the same in all respects as if it were the actual and beneficial owner thereof. DTC may maintain a book-entry system which will identify ownership of the Series 2007 Bonds in integral amounts of \$5,000, with transfers of ownership being effected on the records of DTC and its participants pursuant to rules and regulations established by them, and that, if the terms of the Purchase Agreement so provide, the Series 2007 Bonds initially deposited with DTC shall be immobilized and not be further exchanged for substitute Series 2007 Bonds except as hereinafter provided. The City is not responsible or liable for any functions of DTC, will not be responsible for paying any fees or charges with respect to its services, will not be responsible or liable for maintaining, supervising, or reviewing the records of DTC or its participants, or protecting any interests or rights of the beneficial owners of the Series 2007 Bonds. Should the terms of the Purchase Agreement so provide, it shall be the duty of the DTC Participants to make all arrangements with DTC to establish this book-entry system, the beneficial ownership of the Series 2007 Bonds, and the method of paying the fees and charges of DTC. The City does not represent, nor does it in any way covenant that any book-entry system established with DTC will be maintained in the future. If for any reason should any of the originally delivered Series 2007 Bonds duly file with the Paying Agent/Registrar with proper request for transfer and substitution, as provided for in this Ordinance, substitute Series 2007 Bonds will be duly delivered as provided in this Ordinance, and there will be no assurance or representation that any book-entry system will be maintained for such Series 2007 Bonds. Should there be established a book-entry system with DTC, the City heretofore has executed a "Blanket Letter of Representations" prepared by DTC in order to implement the book-entry system described



above.

17. (a) *Defeased Bonds*. That any Series 2007 Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Series 2007 Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Series 2007 Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Series 2007 Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes or revenues herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsection 17(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption

notices that it authorizes.

(b) *Investment in Defeasance Securities.* Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Series 2007 Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 17(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) *Defeasance Securities Defined.* The term "Defeasance Securities" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its

equivalent.

(d) *Paying Agent/Registrar Services.* Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) *Selection of Bonds for Defeasance.* In the event that the Issuer elects to defease less than all of the principal amount of Series 2007 Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Series 2007 Bonds by such random method as it deems fair and appropriate.

18. (a) *Events of Default.* That each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Series 2007 Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the registered owners of the Series 2007 Bonds, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any registered owner to the City.

(b) *Remedies for Default.*

(i) Upon the happening of any Event of Default, then and in every case, any registered owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City, or any official, officer or employee of the City in their official capacity, for the purpose of protecting and enforcing the rights of the registered owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity

or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the registered owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all registered owners of Series 2007 Bonds then outstanding.

(c) *Remedies Not Exclusive.*

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Series 2007 Bonds or now or hereafter existing at law or in equity; *provided, however*, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Series 2007 Bonds shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Series 2007 Bond authorized under this Ordinance, such registered owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the City or the City Council.

(iv) None of the members of the City Council, nor any other official or officer, agent, or employee of the City, shall be charged personally by the registered owners with any liability, or be held personally liable to the registered owners under any term or provision of this Ordinance, or because of any Event of Default or alleged Event of Default under this

Ordinance.

19. That the proceeds from the sale of the Series 2007 Bonds shall be deposited with the City depository bank and used to fund the permanent improvements described in clause (i) of Section 1 of this Ordinance. The foregoing notwithstanding, proceeds representing accrued interest on the Series 2007 Bonds shall be deposited to the credit of the Interest and Redemption Fund.

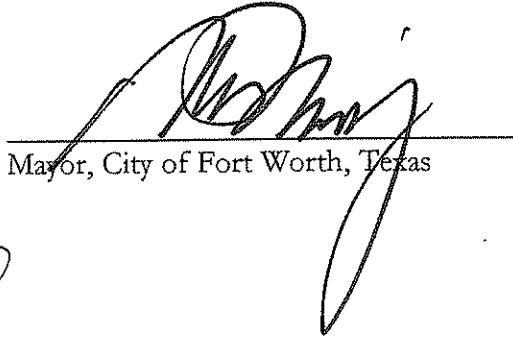
20. That for all purposes of this Ordinance, unless the context requires otherwise, all references to designated Sections and other subdivisions are to the Sections and other subdivisions of this Ordinance. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular Section or other subdivision. Except where the context otherwise requires, terms defined in this Ordinance to impart the singular number shall be considered to include the plural number and vice versa. References to any named person means that party and its successors and assigns. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Ordinance is adopted by the City and any future amendments thereto or successor provisions thereof. Any reference to the payment of principal in this Ordinance shall be deemed to include the payment of any mandatory sinking fund redemption payments as described herein. Any reference to "FORM OF BOND" shall refer to the form of the Bonds set forth in Exhibit A to this Ordinance. The titles and headings of the Sections and subsections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. The findings set forth in the preamble to this Ordinance are hereby incorporated into the body of this Ordinance and made a part hereof for all purposes.

21. That all ordinances and resolutions or parts thereof in conflict herewith are hereby repealed.

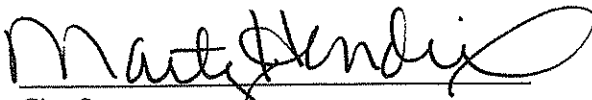
22. That in accordance with the provisions of Section 1201.028, Texas Government Code, this Ordinance shall be effective immediately upon its adoption by the City Council.

23. That it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

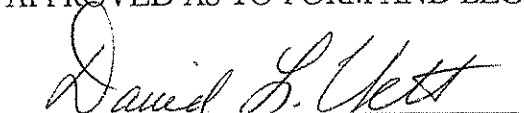
ADOPTED this December 19, 2006.

  
\_\_\_\_\_  
Mayor, City of Fort Worth, Texas  
(SEAL)

ATTEST:

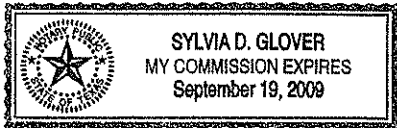
  
\_\_\_\_\_  
City Secretary,  
City of Fort Worth, Texas

APPROVED AS TO FORM AND LEGALITY:

  
\_\_\_\_\_  
City Attorney, City of Fort Worth, Texas

Before me, on this day personally appeared the foregoing individuals, known to me to be the persons whose names are subscribed to the foregoing instrument in my presence.

Given under my hand and seal of office this 19<sup>th</sup> day of December 2006.



Sylvia Glover  
Notary Public

## EXHIBIT A

### FORM OF BOND

NO. \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TEXAS  
COUNTIES OF TARRANT AND DENTON  
CITY OF FORT WORTH, TEXAS  
GENERAL PURPOSE BOND  
SERIES 2007

MATURITY DATE

INTEREST RATE

DATE OF DELIVERY

CUSIP

ON THE MATURITY DATE SPECIFIED ABOVE, THE CITY OF FORT WORTH, TEXAS (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to \_\_\_\_\_, or to the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount of:

\_\_\_\_\_ DOLLARS

and to pay interest thereon, from the Date of Delivery specified above, to the maturity date specified above, or the date of its redemption prior to scheduled maturity, at the rate of interest per annum specified above, with said interest being payable on March 1, 2008, and semiannually on each September 1 and March 1 thereafter; except that if the Paying Agent/Registrar's Authentication Certificate appearing on the face of this Bond is dated later than March 1, 2008, such interest is payable semiannually on each September 1 and March 1 following such date.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or redemption prior to maturity at the designated corporate trust office in Fort Worth, Texas (the "Designated Payment Office"), of Wells Fargo Bank, National Association, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof as shown by the Registration Books kept by the Paying Agent/Registrar at the close of business on the 15th day of the month next preceding such interest payment date by check, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof at its address as it appears on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. Any accrued interest due at maturity or upon redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for redemption and payment at the Designated Payment Office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that no later than each principal payment and/or interest payment date for this Bond it will make available to the Paying Agent/Registrar from the Interest and Redemption Fund as defined by the ordinance authorizing the Bonds (the "Ordinance") the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.



IN THE EVENT OF A NON-PAYMENT of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the Issuer and the securities depository.

THIS BOND is one of a Series of Bonds of like tenor and effect except as to number, principal amount, interest rate, maturity and option of redemption, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$50,000,000, for the following purposes, to-wit: to construct street improvements; and to pay the costs incurred in connection with the issuance of the Bonds.

ON MARCH 1, 2017, or on any date thereafter, the Bonds of this Series maturing on March 1, 2018 and thereafter may be redeemed prior to their scheduled maturities, at the option of the Issuer, in whole, or in part, at par and accrued interest to the date fixed for redemption. The years of maturity of the Bonds called for redemption at the option of the City prior to stated maturity shall be selected by the City. The Bonds or portions thereof redeemed within a maturity shall be selected by lot or other method by the Paying Agent/Registrar; *provided*, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

THE BONDS are also subject to mandatory redemption in part by lot pursuant to the terms of the Ordinance, on March 1 in each of the years 2008 through 2026, in the following years and in the following amounts, at a price equal to the principal amount thereof and accrued and unpaid interest to the date of redemption, without premium:

| <u>YEARS</u> | <u>AMOUNTS (\$)</u> | <u>YEARS</u> | <u>AMOUNTS (\$)</u> |
|--------------|---------------------|--------------|---------------------|
| 2008         | 2,500,000           | 2018         | 2,500,000           |
| 2009         | 2,500,000           | 2019         | 2,500,000           |
| 2010         | 2,500,000           | 2020         | 2,500,000           |
| 2011         | 2,500,000           | 2021         | 2,500,000           |
| 2012         | 2,500,000           | 2022         | 2,500,000           |
| 2013         | 2,500,000           | 2023         | 2,500,000           |
| 2014         | 2,500,000           | 2024         | 2,500,000           |
| 2015         | 2,500,000           | 2025         | 2,500,000           |
| 2016         | 2,500,000           | 2026         | 2,500,000           |
| 2017         | 2,500,000           | 2027*        | 2,500,000           |

\* Final Maturity

To the extent, however, that Bonds subject to sinking fund redemption have been previously purchased or called for redemption in part and otherwise than from a sinking fund redemption payment, each annual sinking fund payment for such Bond shall be reduced by the amount obtained by multiplying the principal amount of Bonds so purchased or redeemed by the ratio which each remaining annual sinking fund redemption payment for such Bonds bears to the total remaining sinking fund payments, and by rounding each such payment to the nearest \$5,000 integral; *provided*, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, the particular Bonds to be called for mandatory redemption shall be selected in accordance with the arrangements between the City and the securities depository.

AT LEAST 30 days prior to the date fixed for any such redemption (a) a written notice of such redemption shall be given to the registered owner of each Bond or a portion thereof being called for redemption by depositing such notice in the United States mail, first class postage prepaid, addressed to each such registered owner at his address shown on the Registration Books of the Paying Agent/Registrar and (b) notice of such redemption either shall be published one (1) time in or posted electronically on the website of a financial journal or publication of general circulation in the United States of America or the State of Texas carrying as a regular feature notices of municipal bonds called for redemption; provided, however, that the failure to send, mail, or receive such notice described in (a) above, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond, and the Ordinance provides that the provision of notice as described in (b) above shall be the only notice actually required in connection with or as a prerequisite to the redemption of any Bond. By the date fixed for any such redemption due provision shall be made by the Issuer with the Paying Agent/Registrar for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion hereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal of this Bond or any portion hereof. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate,

in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Ordinance.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Ordinance, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, and exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, and bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar at its Designated Trust Office (as defined in the Ordinance) for cancellation, all in accordance with the form and procedures set forth in the Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The one requesting such exchange shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for exchanging any Bond or portion thereof. The foregoing notwithstanding, in the case of the exchange of a portion of a Bond which has been redeemed prior to maturity, as provided herein, and in the case of the exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof, such fees and charges of the Paying Agent/Registrar will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, or exchange as a condition precedent to the exercise of such privilege. In any circumstance, neither the Issuer nor the Paying Agent/Registrar shall be required (1) to make any transfer or exchange during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of bonds and ending at the close of business on the day of such mailing, or (2) to transfer or exchange any Bonds so selected for redemption when such redemption is scheduled to occur within 30 calendar days.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond, and the series of which it is a part, is duly authorized by law; that the bonds issued for the permanent improvements

heretofore described were approved by a vote of the resident, qualified electors of the City of Fort Worth, Texas, voting at an election held for that purpose within said City on February 7, 2004; that all acts, conditions and things required to be done precedent to and in the issuance of this series of bonds, and of this Bond, have been properly done and performed and have happened in regular and due time, form and manner as required by law; that sufficient and proper provision for the levy and collection of taxes has been made, which, when collected, shall be appropriated exclusively to the payment of this Bond and the series of which it is a part; and that the total indebtedness of said City of Fort Worth, Texas, including the entire series of bonds of which this is one, does not exceed any constitutional, statutory or charter limitation.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Ordinance constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, this Bond has been signed with the manual or facsimile signature of the Mayor of said City, attested with the manual or facsimile signature of the City Secretary and approved as to form and legality with the manual or facsimile signature of the City Attorney, and the official seal of the Issuer has been duly affixed to, or impressed, or placed in facsimile, on this Bond.

ATTEST:

\_\_\_\_\_  
XXXXXXXXXXXXXXXXXXXX  
City Secretary

\_\_\_\_\_  
XXXXXXXXXXXXXXXXXXXX  
Mayor

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
XXXXXXXXXX  
City Attorney

(SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the proceedings adopted by the Issuer as described in the text of this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated:

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
Paying Agent/Registrar

By \_\_\_\_\_  
Authorized Representative

FORM OF ASSIGNMENT:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
Please insert Social Security or Taxpayer  
Identification Number of Transferee

/ \_\_\_\_\_/

\_\_\_\_\_  
(Please print or typewrite name and address, including  
zip code of Transferee)

\_\_\_\_\_  
the within Bond and all rights thereunder, and hereby

irrevocably constitutes and appoints \_\_\_\_\_

\_\_\_\_\_  
attorney to register the transfer of the within Bond on the

books kept for registration thereof, with full power of

substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by  
a member firm of the New York Stock  
Exchange or a commercial bank or trust  
company.

\_\_\_\_\_  
NOTICE: The signature above must  
correspond with the name of the Registered  
Owner as it appears upon the front of this  
Bond in every particular, without alteration or  
enlargement or any change whatsoever.

\* FORM OF COMPTROLLER'S CERTIFICATE (ATTACHED TO  
THE BONDS UPON INITIAL DELIVERY THEREOF)

OFFICE OF COMPTROLLER :

REGISTER NO. \_\_\_\_\_

STATE OF TEXAS :

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY HAND and seal of office at Austin, Texas \_\_\_\_\_.

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

(SEAL)

NOTE TO PRINTER:

\*¶not to be on bond

**EXHIBIT B**

**FORM OF PURCHASE AGREEMENT**



**Exhibit C  
to  
Ordinance**

**DESCRIPTION OF ANNUAL FINANCIAL INFORMATION**

The following information is referred to in Section 14 of this Ordinance.

**Annual Financial Statements and Operating Data**

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified below:

The City has heretofore filed with each NRMSIR and the SID its official statement with respect to that certain issue of \$46,230,000 City of Fort Worth, Texas General Purpose Refunding Bonds, Series 2004. In the ordinance authorizing the issuance of such Bonds, the City agreed to update annually financial information and operating data with respect to the City of the general type included in such official statement in tables 1 through 6, inclusive, and 8 through 15, inclusive, contained in such official statement, and Appendix B to such Official Statement, **"Excerpts from the Annual Financial Report of the City of Fort Worth, Texas"**. The above-described financial information and operating data with respect to the City is hereby incorporated by reference, and in Section 14 of this Ordinance the City has agreed to annually update such financial information and operating data in accordance with Rule 15c2-12, promulgated by the United States Securities and Exchange Commission.

**Accounting Principles**

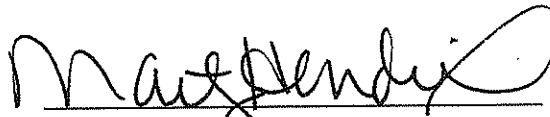
The accounting principles referred to in Section 14 of this Ordinance are the accounting principles described in the notes to the annual financial report referred to above.

THE STATE OF TEXAS  
COUNTIES OF TARRANT AND DENTON  
CITY OF FORT WORTH

:  
:  
:

I, Marty Hendrix, City Secretary of the City of Fort Worth, in the State of Texas, do hereby certify that I have compared the attached and foregoing excerpt from the minutes of the regular, open, public meeting of the City Council of the City of Fort Worth, Texas held on December 19, 2006, and the Ordinance Authorizing the Issuance of General Purpose Bonds, Series 2007, which was duly passed at said meeting, and that said copy is a true and correct copy of said excerpt and the whole of said ordinance.

In testimony whereof, I have set my hand and have hereunto affixed the seal of said City of Fort Worth, this 19th day of December, 2006.

A handwritten signature in black ink, appearing to read "Marty Hendrix", written over a horizontal line.


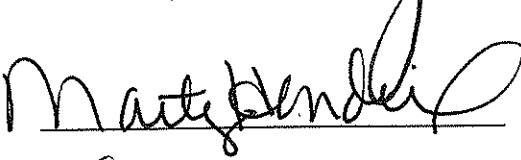
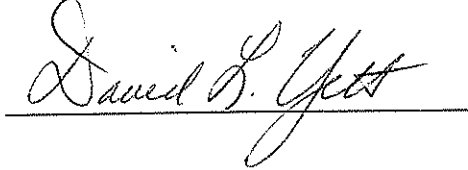
City Secretary of the  
City of Fort Worth, Texas

(SEAL)

EXHIBIT B

The true and correct signatures of the Mayor, City Secretary and City Attorney are as follows:

MANUAL SIGNATURES

OFFICIAL TITLES

Mayor,  
City of Fort Worth, Texas

City Secretary,  
City of Fort Worth, Texas

City Attorney,  
City of Fort Worth, Texas

THE STATE OF TEXAS :  
COUNTIES OF TARRANT, DENTON AND WISE :  
CITY OF FORT WORTH :

On the 19th day of December, 2006, the City Council of the City of Fort Worth, Texas, met in regular, open, public meeting in the City Council Chamber in the City Hall, and roll was called of the duly constituted members of the City Council, to-wit:

|                    |                         |
|--------------------|-------------------------|
| Mike Moncrief,     | Mayor                   |
| Salvador Espino,   |                         |
| Chuck Silcox,      | :                       |
| Danny Scarth,      | :                       |
| Donavan Wheatfall, | :                       |
| Jungus Jordan,     | : Councilmembers,       |
| Carter Burdette,   | :                       |
| Kathleen Hicks,    | :                       |
| Wendy Davis,       | :                       |
| Charles Boswell,   | City Manager,           |
| David Yett,        | City Attorney,          |
| Marty Hendrix,     | City Secretary,         |
| Karen Montgomery,  | Chief Financial Officer |

with Scarth, Wheatfall and Davis absent, thus constituting a quorum present; and after the City Council had transacted certain business, the following business was transacted, to-wit:

Councilmember Silcox introduced an ordinance and moved its passage. The motion was seconded by Councilmember Espino. The Ordinance was read by the City Secretary. The motion, carrying with it the passage of the ordinance prevailed by a vote of 6 YEAS, 0 NAYS. The ordinance as passed is as follows:

## GENERAL CERTIFICATE

THE STATE OF TEXAS :  
COUNTIES OF TARRANT AND DENTON :  
CITY OF FORT WORTH :

We, the undersigned, hereby officially certify that we are the City Manager and the Chief Financial Officer, respectively, of the City of Fort Worth, Texas (the "City"), and we further certify as follows:

### General

1. That this certificate is given for the benefit of the Attorney General of the State of Texas and the purchasers and holders of City of Fort Worth, Texas General Purpose Bonds, Series 2007, dated January 1, 2007, in the aggregate principal amount of \$50,000,000 (herein referred to as the "Bonds"). Defined terms used herein shall have the meaning ascribed to said terms in the ordinance authorizing the issuance of the Bonds (the "Ordinance").

2. That any certificate signed by any official of the City delivered to the purchasers of the Bonds or the Attorney General of the State of Texas shall be deemed a representation and warranty by the City as to the statements made therein. The Public Finance Division of the Office of the Attorney General of the State of Texas is hereby authorized to date this Certificate as of the date of approval of the Bonds and is entitled to rely upon the accuracy of the information contained herein unless notified by telephone or telecopy to the contrary.

### Matters Relating to the City

3. That the City is a duly incorporated Home Rule City, having more than 5000 inhabitants, operating and existing under the Constitution and laws of the State of Texas and the duly adopted Home Rule Charter of the City, which Charter has not been changed or amended since May 13, 2006.

4. That no litigation of any nature has ever been filed pertaining to, affecting or contesting: (a) the issuance, delivery, payment, security or validity of the proposed Bonds; (b) the authority of the officers of the City adopt the Ordinance, or to issue, execute and deliver the Bonds; or (c) the validity of the corporate existence, the current Tax Rolls, or the Charter of the City; and that no litigation is pending pertaining to, affecting or contesting the boundaries of the City.

5. That the seal an impression of which appears below is the corporate seal of the City; that said seal has been used continuously as such corporate seal for more than forty years and was duly adopted as the seal of the City by the City Council of the City; and that since its adoption, no seal other than said seal has been used as the corporate seal of the City.

6. That each of the following persons is the duly acting, constituted and qualified officer of the City of Fort Worth as herein shown, respectively:

|                      |   |                         |
|----------------------|---|-------------------------|
| Michael J. Moncrief, |   | Mayor                   |
| Salvador Espino,     |   |                         |
| Chuck Silcox,        | : |                         |
| Danny Scarth,        | : |                         |
| Donavan Wheatfall,   | : |                         |
| Jungus Jordan,       | : | Councilmembers,         |
| Carter Burdette,     | : |                         |
| Kathleen Hicks,      | : |                         |
| Wendy Davis,         | : |                         |
| Charles Boswell,     |   | City Manager,           |
| David Yett,          |   | City Attorney,          |
| Marty Hendrix,       |   | City Secretary,         |
| Karen Montgomery,    |   | Chief Financial Officer |

7. That the Bonds are being issued pursuant to an election held by the City on February 7, 2004. The February 7, 2004 election proceedings were submitted to the Public Finance Division of the Office of the Attorney General in connection with the approval of the City of Fort Worth, Texas General Purpose Commercial Paper Notes, Series B. The City has not issued any of the General Purpose Commercial Paper Notes, Series B, authorized by the proceedings approved by the Public Finance Division of the Office of the Attorney General on April 30, 2004.

#### **Matters Relating to the Ad Valorem Tax Pledge in Support of the Bonds**

8. That the currently effective ad valorem tax rolls of the City are those for the 2006/2007 fiscal year, being the most recently approved tax rolls of the City; that the City Council of the City has caused the taxable property in the City to be assessed as required by law; that the Tarrant Appraisal Review Board has equalized and approved the valuation of taxable property in the City for said year; that the Chief Appraiser of the Tarrant Appraisal District has duly verified the aforesaid tax rolls, and said Appraisal Review Board has finally approved the same; and that the valuation of taxable property in the City, and the aggregate amount of exemptions, and the net effective taxable value of taxable property in the City, according to the aforesaid tax rolls for said year, as delivered to the City Secretary of the City, and finally approved and recorded by the City Council of the City, are as follows:

|                    |                         |
|--------------------|-------------------------|
| Assessed Value:    | \$41,225,348,424        |
| (less) Exemptions: | <u>\$11,959,427,096</u> |
| Taxable Values:    | \$29,265,921,328        |

9. That Exhibit A, which is attached hereto and made a part hereof, contains a true and correct schedule showing the annual requirements of all of the outstanding indebtedness of the City payable from taxes, together with the annual requirements of the Bonds, proposed to be issued by an ordinance passed December 19, 2006, as they appear in the official records of the City.

### **Matters Relating to the Execution of the Bonds**

10. That in connection with the execution of the Bonds:

(a) The Mayor, City Secretary and City Attorney of the City have officially executed and signed the Bonds initially delivered to the purchasers thereof by affixing thereto their manual or facsimile signatures; and by executing Exhibit B to this Certificate, the Mayor, City Secretary and City Attorney hereby adopt said facsimile signatures as their own, respectively, and declare that said facsimile signatures constitute their signatures the same as if they had manually signed each of the Bonds;

(b) The Bonds are substantially in the form, and have been duly executed and signed in the manner, prescribed in the ordinance authorizing the issuance thereof;

(c) At the time the Bonds were executed and signed the Mayor, City Secretary and City Attorney were, and at the time of executing this certificate are, the duly chosen, qualified and acting officers indicated therein, and authorized to execute the same;

(d) No litigation of any nature has been filed or is now pending which would affect the provision made for their payment or security, or in any manner question the authority concerning the issuance of the Bonds, and that so far as we know and believe no such litigation is threatened;

(e) Neither the corporate existence nor boundaries of the City is being contested, no litigation has been filed or is now pending which would affect the authority of the officers of the City to issue, execute, and deliver the Bonds, and that no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and

(f) The official seal of the City has been impressed, or printed, or lithographed on each of the Bonds; and said seal has been duly adopted as, and is hereby declared to be, the official seal of the City.

*[Execution Page Follows]*

SIGNED AND SEALED this

Charles R. Powell

City Manager,  
City of Fort Worth, Texas

Karen L. Montgomery

Chief Financial Officer,  
City of Fort Worth, Texas

(SEAL)



# City of Fort Worth, Texas

## Mayor and Council Communication

**COUNCIL ACTION: Approved on 12/19/2006 - Ordinance No. 17325-12-2006**

**DATE:** Tuesday, December 19, 2006

**LOG NAME:** 1350BONDS2007

**REFERENCE NO.:** G-15542

**SUBJECT:**

Adopt Ordinance Providing for the Issuance of Fifty Million Dollars of the General Purpose Bonds, Series 2007, of the City of Fort Worth, Texas, Bearing Interest at the Rates Hereinafter Set Forth, and Providing for the Levy, Assessment and Collection of a Tax Sufficient to Pay the Interest on Said Bonds and to Create a Sinking Fund for the Redemption Thereof at Maturity; and Ordaining Other Matters Related Thereto

**RECOMMENDATION:**

It is recommended that the City Council:

1. Adopt the attached ordinance providing for the issuance of \$50,000,000.00, City of Fort Worth, Texas, General Purpose Bonds, Series 2007, and approving the use of the "Form of Purchase Agreement" prepared in connection with the sale of the above referenced bonds; and
2. Authorize the \$50,000,000.00, City of Fort Worth, Texas, General Purpose Bonds, Series 2007, be sold to JP Morgan Chase, the bidder offering the lowest true interest rate of 4.48 percent.

**DISCUSSION:**

Bids for the \$50,000,000.00, City of Fort Worth, Texas, General Purpose Bonds, Series 2007, were received on Monday, December 18, 2006 at 10:00 a.m. First Southwest Company, the City's financial advisor, reviewed the bids and will present a summary of the true interest rates for the bids to the City Council at the December 19, 2006 meeting with a recommendation on the bid to select.

Proceeds from this sale will be used to construct permanent street and storm sewer improvements and pay the costs of issuance associated with the issuance of the Series 2007 Bonds.

**FISCAL INFORMATION/CERTIFICATION:**

The Finance Director certifies that funds will be available to make the debt service payments on these bonds.

**TO Fund/Account/Centers**

**FROM Fund/Account/Centers**

**Submitted for City Manager's Office by:**

Karen Montgomery (6222)

**Originating Department Head:**

Richard Zavala (Acting) (8517)

**Additional Information Contact:**

Skipper Shook (2438)